TRADE WITH CANADA.

Report of Israel T. Hatch in Relation to the Reciprocity Treaty and the Chan-. nels of Commerce.

Increased Revenues Received by the United States Since the Abrogation of the Treaty.

The Aggressive Policy of Canada.

Proposed Improvement of the Erie Canal.

Hon. Hugh McConnocn, Secretary of the Treasury:— Sin.—The resolution of inquiry passed by the House of Representatives July 6, 1866, and received

inciple of freedom in our commercial ex-with the North American British provinces

of revenue for the five succeeding years, the revenues would have been \$9,237,586 in the aggregate, or \$1,80,1517 annually. On further examination is shown by the very large importations made from Canada into this country, even now, when have increased in the same ratio during the remaining years of the treaty. Official Canadina reports show that in 1859 the amount of duties are paid on them. Nine-tenths of the canadina reports show that in 1859 the amount of duties are paid on them. Nine-tenths of the Canadian exports to the United States consist of American industry, from the United States of American industry, from the United States of American industry from the United States of American industry from the United States of Products of the forest, animals and their productions and the produce of the farm. They do not sensibly anect our markets, and are tess in value than those of any agricultural State in the West. They have no more perceptible effect on our markets thin the waters of a stream collected from a small surface have upon one of our insulance and collected on Canadian imports in these three years would not exceed \$75,000 towards defraying a frontier of mund roast 6,000 miles in extent. On a closer examination it would be found that a large proportion of the duty-paying articles imported from Canada no produced in that country.

Amount of conspanying articles imported into this country. Itself, 1857, 1858, 1859.

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Amount of conspanying articles imported into this country from Canada

140,000	\$601,097	8012,008	8504,959
563,954	501,011	190,666	E19,555
105,880	160,086	119,338	185,414
	503,934 105,880	540,934 601,011 105,880 160,086	540,55 post,697 8212,555 540,564 451,611 190,566 125,880 162,686 119,586 nt demonstrates that

these years we had not collected annually duties on much more than \$100,000 in value of merchandise actually produced in Canada, Fieding, on an average of twenty per cent, about \$25.00 annually. The following is a comparative statement of the produc-tions of each country imported into the other and charged with duties in it, showing that of the pro-ductions of American labor Canada taxed forty-five times as great an amount in value as we taxed of her productions.

	1886.	1867.	1858.
Products of United States paying duty in Canada Products of Canada paying duty in United States	\$7,981,084 106,570	96,300,336 145,085	04,524,50 8 119,358
American products charged with duty to Canada above Canadian products charged with duty to United States.	87,864,914	86,042,224	84,485,145

with duty in Canada above Canadian products charged with day in United States. [87,844,914] \$6,043,245 [84,663,445]
The records of subsequent years confirm the same conclusion; but it is not desirable to present a redundancy of statistics, which are only useful in political economy to supply examples and illustrations of accural principles. They can give the heats of principles which are grounded in the nature of things. The relation of cause to greet is the only male teacher of those measures which are best to adopt in every possible case.

The United States and Canada throughout the existence of the treaty presented the asympton of custom houses extending along their whole conterminous frontier, sustained in our country at an expense greatly exceeding the precuents collected through them, white on the opposite shore was found an equally extended cordon of imperial custors buildings, collecting large revenues from taxing American commedities. This result was produced by successive taxine in Canada inflicting higher dates in some cases almost prohibitory upon the chief importations of the products of American labor, of meaning all the articles named in and made free by the treaty a surplus was common to both countries; but Canada then, as now, had no markets so prollable as those of the United States, and no outlet for her surplus at all worthy of mention, except this country, when her exports, then as now, contributed to the revenue. Her legislation reversed the ordinary course of trade—that a nation buys where it sells. Her people sold to us and were prevented by her tariffs from buying of us. The inotives and objects of her tariffs are not left to conjective, Mr. Galt, Financian Minister of Canada, reports March I, 1800, page thirty-six, as follows:—

By astending the advances principle to all importations and thesely concursing an effect of the conjective of reverse years had completely developed the these of appetite which is necessary years had completely developed the takes of a section of the conjective

Chantries 1895.	Value of Erverte. 14,726,008	Value of Imports.
North American colonies	1,065,057 41,318 25,812,923 835,850	511,570 209,529 *18,589,655 3,274,644
*Exclusive of specie.	42,481,151	\$38,620,469

Exports.	Britain.	B. North	Indies.
Produce of the mines. Do. faberies. Do. forest. Animals and their products. Agricultural products. Manufactures. Coin and bullion. Other articles. Bips bull at Quebec. Goods not the produce of Canada.	\$807,105 113,586 6,889,783 9,125,271 2,770,286 186,200 611,660 48,578 818,440 1,195,948	287,036 2,776,038 183,177 18,887	2,408 3,967 8,983 20,597
Total value of exports	814,962,504	#3,519,197	
Exports.	United States.	Poreign Countries.	Value.
Produce of the mines	\$238,327 115,767	880 424,315	\$541,234 784,686
Do. fisherica. Do. forest. Animals and their products. Agricultural products. Manufactures. Coin and builion. Other articles. Ships built at Quebec Goods not the produce of	6,831,252 8,685,191 11,185,297 459,291 2,404,854 847,929	424,315 156,194 14,184 25,470 45,402 427 186,636 30,195	13,945,648 6,118,619 16,765,981 865,767 2,915,084 416,121 1,005,076

FOR KLEVEN MON	RECT	INOT.	ST FOUR	1865.
Flour, bbis 2,6	61,497	2,409,476	2,494,979	2,288,514
Wheat, bushels12,		9,448,974	3,546,851	7,810,847
Oats %	918,399	7,810,654	7,696,352	9,056,799
Rye 2,	750,015	745,678	1,045,675	677,508
Peas	1958,491	655,385	406,592	140,586
Total bushels45,	137,651	25,879,586	49,223,608	36,583,735
Flour, bbis	1868. 1844,730	1967. EUI,302	1994. 849,297	1965. 1,179,110
Wheat, bushels 5,	481,990	4,196,123	\$89,605	2,091,125
Corn 5	11,783	2,510,409 118,845	1,105,635	70,816
Bariey	153,003	417,993	801,889 211,951	170,694
Peas	118,818	601,412	166,073	74,049
Water translate 11	EXO ONE	19 191 141	12 401 145	8 Sec. 400

Floori, Grain, Floori, Graen, bits, front, front, front, front, 2,664,497 45,157,559 944,30 11,619,629 15,469,475 48,127,055 801,302 13,031,477 15,494,579 48,223,055 160,507 54,621,145 13,985,307 58,885,477 13,985,487 13 The following will show the receipts of flour and grain at Montreal by rail, river and canal, from dannary I to December I, 1885, and exports for the same period, compared with the corresponding

period in 1807:-	Receipts.		Experts	
Flour, bhla	1808.	1867. 662,400	1868. 505,946	1867. \$0,389
Wheat, bushels Corn. Oats Rariny Rye	2,405,222 1,061,819 136,603 149,196 2,797 512,778	2,798,155 +51,606 250,607 127,411 128,765 1,288,106	1,128,717 788,047 866,199 468,915 6 662,974	1,466,637 6464 25 8565,6 to 186,65 7 21,94 1,741,666
The second second				400000

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mercial advantages would be larry estimated in fixing the basis of reciprocal trade. Nor could the well known fact be overlooked that since the termi-nation of the Reciprocity Treaty foreign immigra-tion to Canada no longer stops there, but passes on to the United States. If the value of the foreign